

ANNUAL REPORT

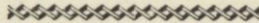
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W. T. GRANT COMPANY

(A Delaware Corporation)

and Operating Subsidiary Company

(A Massachusetts Corporation)



W. T. GRANT REALTY CORPORATION

(A New York Corporation)

FOR THE YEAR ENDED JANUARY 31, 1930

1929

BOARDS

q668.27

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DIRECTORS

William T. Grant, Chairman

H. S. Davis

F. A. Powdrell

C. E. Freeman

Max Radt

J. M. Hancock

B. A. Rowe

J. L. O'Neill

L. M. Van Hoogenstyn

MAY 24-32
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HG

OFFICERS

William T. Grant Chairman of the Board

B. A. Rowe President

R. W. Story Secretary

J. G. Byler Assistant Treasurer

Transfer Agent

Guaranty Trust Company
of New York

Registrar

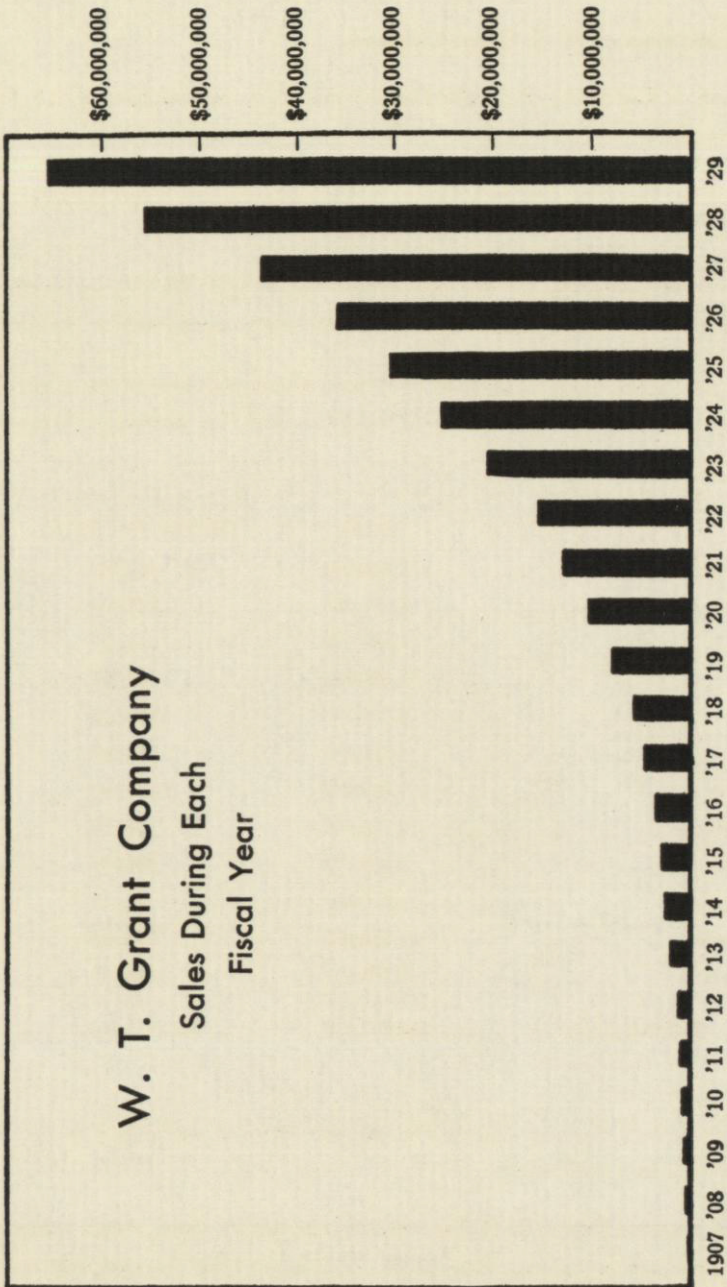
Bankers Trust Company,
New York, N. Y.

Annual Meeting

FIRST TUESDAY IN APRIL

1441 BROADWAY, NEW YORK CITY

W. T. Grant Company
Sales During Each
Fiscal Year



To the Stockholders of W. T. Grant Company:

The Annual Report for the 1929 Fiscal Year, which ended January 31, 1930, is submitted herewith.

SALES

Sales of the Company for the year amounted to \$65,902,419, an increase of \$10,211,634 over the previous year. There were 279 stores operating on January 31, 1930.

Below are given monthly sales of all stores, also the dollar increase in sales and the percentage increase for each month of the year over the corresponding month of the previous year.

	SALES	INCREASE IN SALES	% INCREASE
1929—February	\$ 3,516,008	\$ 673,501	23.7
March	5,141,437	1,435,048	38.7
April	4,421,035	765,027	20.9
May	5,089,451	993,449	24.3
June	5,374,171	1,008,324	23.1
July	4,523,745	792,908	21.3
August	5,065,529	1,069,499	26.8
September	4,776,755	68,993	1.5
October	6,164,172	746,590	13.8
November	6,510,666	96,151	18.0
December	11,535,839	1,208,025	11.7
1930—January	3,783,611	454,121	13.6
TOTALS	\$65,902,419	\$10,211,634	18.3

The early months of the year showed larger percentage gains, due to the better business conditions then prevailing.

Of the increase shown, \$949,052 was contributed by stores which were open during the entire previous fiscal year. New stores opened in 1929 showed sales of \$5,826,783 during that part of the year they were in operation. The balance of the increase was from sales during 1929 of stores opened during 1928.

During the year fifty-nine additional stores located in twenty different states were opened. These stores are listed below, with dates of opening.

- | | |
|-----------------------------------|-----------------------------------|
| Feb. 23, 1929—Bay Shore, L. I. | Aug. 24, 1929—Columbia, Pa. |
| Mar. 2, 1929—Patchogue, L. I. | Aug. 31, 1929—Wakefield, Mass. |
| Mar. 9, 1929—New York City, N. Y. | Sept. 14, 1929—Danville, Va. |
| Mar. 16, 1929—Dansville, N. Y. | Sept. 21, 1929—Shamokin, Pa. |
| Mar. 23, 1929—Portsmouth, Va. | Sept. 21, 1929—Stoneham, Mass. |
| Mar. 30, 1929—Upper Darby, Pa. | Sept. 28, 1929—Chicago, Ill. |
| Apr. 13, 1929—Mt. Pleasant, Pa. | Sept. 28, 1929—Geneva, N. Y. |
| May 4, 1929—Omaha, Neb. | Oct. 5, 1929—Pittsburgh, Kan. |
| May 11, 1929—Hyannis, Mass. | Oct. 12, 1929—Milford, Del. |
| May 11, 1929—Winchendon, Mass. | Oct. 12, 1929—Fredericksburg, Va. |
| May 11, 1929—Franklin, Mass. | Oct. 19, 1929—Jamaica, L. I. |
| May 18, 1929—Camden, N. J. | Oct. 26, 1929—Detroit, Mich. |
| May 18, 1929—New York City, N. Y. | Oct. 26, 1929—Buffalo, N. Y. |
| May 18, 1929—St. Louis, Mo. | Nov. 2, 1929—Millville, N. J. |
| May 25, 1929—Mt. Union, Pa. | Nov. 2, 1929—New York City, N. Y. |
| June 8, 1929—Riverhead, L. I. | Nov. 2, 1929—Muskogee, Okla. |
| June 15, 1929—Huntingdon, Pa. | Nov. 16, 1929—Vineland, N. J. |
| June 15, 1929—Hudson Falls, N. Y. | Nov. 16, 1929—Brunswick, Ga. |
| June 15, 1929—Windber, Pa. | Nov. 16, 1929—Crisfield, Md. |
| June 22, 1929—Corry, Pa. | Nov. 29, 1929—Minneapolis, Minn. |
| June 22, 1929—Paterson, N. J. | Nov. 30, 1929—Pittston, Pa. |
| June 29, 1929—Hammond, Ind. | Nov. 30, 1929—Waynesboro, Pa. |
| June 29, 1929—Lackawanna, N. Y. | Nov. 30, 1929—Bayonne, N. J. |
| June 29, 1929—Derry, N. H. | Dec. 7, 1929—Middletown, Conn. |
| July 6, 1929—Warsaw, N. Y. | Dec. 7, 1929—Belleville, Ill. |
| July 13, 1929—Marion, Ohio | Dec. 9, 1929—Clifton Forge, Va. |
| July 20, 1929—Jacksonville, Fla. | Dec. 13, 1929—Elyria, Ohio |
| Aug. 17, 1929—Cambridge, Md. | Jan. 11, 1929—Homestead, Pa. |
| Aug. 24, 1929—Palmerton, Pa. | Jan. 25, 1930—Bellaire, Ohio |
| | Jan. 25, 1930—Conneaut, Ohio |

In addition to the new stores above, eleven stores, at Putnam, Stamford, and Thompsonville, Connecticut; Atlanta, Georgia; Evansville, Indiana; Athol, Massachusetts; Beacon and Rochester, New York; Chattanooga, Tennessee; and Dallas and San Antonio, Texas, were remodeled and enlarged.

EARNINGS AND DIVIDENDS

Net Earnings, after Federal Taxes, available for the payment of dividends on the Company's capital stock, were the largest in its history, being \$3,057,750, an increase of \$298,000 over the previous year.

Earnings reported are after a deduction of \$306,196 for depreciation of furniture and fixtures, and \$315,306 for the amortization of alterations and improvements. The charge for depreciation equalled 12.7% of the average balance at which these items were carried during the year, while the amortization of alterations and improvements amounted to 6.3% of their average balance for the year. Consistent with the Company's accounting policy, rentals on stores under construction, costs of small fixtures, and other new store pre-opening expenditures aggregating in excess of \$750,000 were charged against earnings for the year.

Cash dividends paid during the year on the Company's capital stock amounted to \$700,519, an increase of \$185,395 over payments made during the previous year.

FINANCIAL CONDITION

With working capital of \$9,001,853 the Company ended the year in the strongest financial condition in its history.

Cash alone was \$2,517,203, exceeding all current liabilities. Inventories were of standard articles of merchandise, and are believed to be conservatively valued.

Under Other Assets are included amounts expended on building construction aggregating \$363,715. After completion of construction work, these amounts will be repaid to the Company by the property owners.

The increased investment in the W. T. Grant Realty Corporation resulted from the purchase during the year of three properties. It was found more profitable to purchase these properties than to lease them. The balance sheet of the Realty Corporation is included in this report.

The increases in the Furniture and Fixtures Account, and in the Alterations and Improvements Account resulted from the expenditures for the fifty-nine stores opened during the year and the eleven stores remodeled and enlarged.

Changes in the Capital Account during the year were as follows:

January 31, 1929—Outstanding	538,900 Shares	\$6,020,496
October 25, 1929—Additional Shares Issued to Stockholders and Surplus Charged	538,900 Shares	538,900
November 26, 1929—Sold to Stockholders and Underwriters for Cash	107,780 Shares	3,236,800
January 31, 1930—Outstanding	1,185,580 Shares	\$9,796,196

Surplus changes are given in detail in the Consolidated Surplus Account. At the end of the year, Surplus stood at \$10,700,770.

CHANGES IN CAPITALIZATION

At a special meeting held October 7, 1929, stockholders authorized increasing the Authorized Capital Stock from 550,000 shares to 2,000,000 shares, without par value. On the same date the Board of Directors approved a plan under which stockholders of record October 17, 1929, received on October 25, one additional share of stock for each share owned. As a result, the number of shares of capital stock outstanding was increased from 538,900 shares to 1,077,800 shares.

The Board of Directors also approved a plan permitting stockholders of record November 1, 1929, to subscribe, on or before November 26, 1929, for one share of stock at \$30, for every ten shares owned. The offering was underwritten. Although there was a severe reaction in security values between the time of announcing the offering and the last subscription day, stockholders subscribed for 107,610 of the 107,780 shares offered them. The underwriters purchased the remaining 170 shares. As a result, the number of shares of stock outstanding was increased to 1,185,580.

On January 1, 1930, a quarterly dividend of \$0.25, or at the rate of \$1.00 per share annually, was paid on the entire outstanding stock. This is equivalent to an increase in the annual rate from \$1.00 to \$2.20 on the number of shares outstanding at the beginning of the year.

ORGANIZATION CHANGES

On February 1, 1930, Mr. C. E. Freeman, previously President, became Chairman of the Finance Committee of the Board of Directors. In this position, Mr. Freeman will continue to make available the experience gained in over twenty years' service with the Company.

Succeeding Mr. Freeman, Mr. B. A. Rowe was elected President of the Company. Mr. Rowe started with the Company over twenty years ago and has been floorman, assistant store manager, store manager, District Manager, Director of Store Operations, and Vice President and General Manager. Mr. Rowe brought to his new position as chief executive officer of the Company a thorough knowledge of its methods and policies and a splendid relationship with his co-workers.

During the past year, the district organizations have been further strengthened, carrying out a plan adopted two years ago. The building up of these district organizations, of which there are four, is resulting in better store supervision, a more prompt adjustment to local changes, and a better adaptation of merchandise to varying climatic conditions and consumer demands. These district offices will further provide the organization for directing future expansion.

EXPANSION

The liquid financial condition of the Company will enable it to continue to expand. Leases calling for occupancy during the current fiscal year have already been signed for thirty-four stores to be opened in the following cities:

Batavia, N. Y.	Honesdale, Pa.	Oneonta, N. Y.
Bath, N. Y.	Johnstown, N. Y.	Reading, Mass.
Buffalo, N. Y. (3)	Lansing, Mich.	Rockville Center, L. I.
Collingswood, N. J.	Lynchburg, Va.	Salt Lake City, Utah
Corning, N. Y.	McKeesport, Pa.	Sayre, Pa.
Dover, Del.	Miami, Fla.	Springfield, Mo.
East Liberty, Pa.	Muskegon, Mich.	Titusville, Pa.
Eastwood, N. Y.	Newport, Vt.	Towanda, Pa.
Elkins, W. Va.	Newport News, Va.	Utica, N. Y.
Hackensack, N. J.	New York City, N. Y. (2)	Weston, W. Va.
Hamtramck, Mich.		

Sales for the 1930 fiscal year are conservatively expected to be in excess of \$75,000,000.

During the year, larger quarters for the buying and executive offices in New York City were taken under a long term lease. The new space, the 15th, 16th and 17th floors at the new 1441 Broadway Building gave the Company more floor space and more desirable quarters. Provision has been made for securing additional space, which it is anticipated will be required as a result of the continued growth of the Company.

Very truly yours,

WILLIAM T. GRANT,
Chairman of the Board.

New York City, New York,
March 14, 1930.

W. T. GRANT COMPANY

(A Delaware Corporation)

AND OPERATING SUBSIDIARY COMPANY

(A Massachusetts Corporation)

CONSOLIDATED INCOME ACCOUNT

For the Fiscal Year Ended January 31, 1930

SALES			\$65,902,418.94
LESS: Cost of Merchandise and Operating Expenses			62,073,716.55
			<hr/>
			3,828,702.39
OTHER INCOME (Interest and Miscellaneous Items—Net)			230,549.61
			<hr/>
			\$4,059,252.00
DEDUCT:			
Allowance for Depreciation and Amortization of Leasehold Improve- ments		621,502.07	
Reserve for Federal Income Tax		380,000.00	1,001,502.07
		<hr/>	<hr/>
NET INCOME			<u>\$3,057,749.93</u>

CONSOLIDATED SURPLUS ACCOUNT

For the Fiscal Year Ended January 31, 1930

BALANCE—January 31, 1929		\$8,926,800.97	
ADD:			
NET INCOME For Year, as above		<u>3,057,749.93</u>	<u>\$11,984,550.90</u>
DEDUCT:			
CASH DIVIDENDS PAID			
April 1, 1929—25¢ per share	\$134,725.00		
July 1, 1929—25¢ per share	134,725.00		
October 1, 1929—25¢ per share	134,725.00		
January 1, 1930—25¢ per share	296,344.00	700,519.00	
		<hr/>	
ISSUE to Stockholders, one share of capital stock for each share held on October 17, 1929, 538,900 shares at nominal value		538,900.00	
PREMIUM on Retirement of Preferred Stock of W. T. Grant Realty Corporation, Prior Year Federal Income Taxes, etc.		44,362.13	1,283,781.13
		<hr/>	<hr/>
BALANCE—January 31, 1930			<u>\$10,700,769.77</u>

W. T. GRANT COMPANY

(A Delaware Corporation)

AND OPERATING SUBSIDIARY COMPANY

(A Massachusetts Corporation)

CONSOLIDATED BALANCE SHEET

January 31, 1930

ASSETS

CURRENT

Cash	\$2,517,202.75	
Accounts Receivable	353,343.86	
Merchandise Inventories—Market Value	7,880,660.73	
Cash Surrender Value—Life Insurance Policies	66,750.57	\$10,817,957.91

OTHER ASSETS

Amounts expended on Building Construction—To be repaid by owners upon completion	363,715.13	
Sundry Accounts, Notes and Investments	224,395.48	588,110.61

SUBSIDIARY COMPANY

W. T. Grant Realty Corporation—Entire Outstanding Capital Stock	2,316,815.00	
Account Receivable	28,088.54	2,344,903.54

FURNITURE AND FIXTURES

At Cost	3,728,889.16	
Less: Allowance for Depreciation	1,156,192.83	2,572,696.33

ALTERATIONS AND IMPROVEMENTS TO LEASED PROPERTIES

		5,530,437.75
(This amount is being written off over a period not in excess of terms of leases)		

DEFERRED CHARGES

Unexpired Insurance Premiums, Supplies, Prepaid Rents, Taxes, etc		726,530.87
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\$22,580,637.01

LIABILITIES

CURRENT

Accounts Payable	\$ 758,349.96	
Accrued Accounts	652,754.70	
Federal Income Tax on Current Earnings (Estimated)	380,000.00	
Notes Payable for Lease—Due 1930	25,000.00	\$1,816,104.66

DEFERRED LIABILITY

Notes Payable for Lease—Due 1931 to 1938		187,500.00
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RESERVE FOR REPAINTING STORES

80,066.58

CAPITAL STOCK AND SURPLUS

Capital Stock—Authorized 2,000,000 Shares of no par value		
Outstanding 1,185,580 shares	9,796,196.00	
Surplus	10,700,769.77	20,496,965.77

\$22,580,637.01

W. T. GRANT REALTY CORPORATION
(A New York Corporation)

BALANCE SHEET

January 31, 1930

ASSETS

LAND AND BUILDINGS	\$4,084,917.64	
Less: Allowance for Depreciation	66,391.00	\$4,018,526.64
ALTERATIONS AND IMPROVEMENTS		
To Owned and Leased Properties (Unamortized Balance)		457,553.95
CASH		39,152.62
RENTS RECEIVABLE		18,682.42
DEFERRED CHARGES		
Unexpired Insurance Premiums, Prepaid Taxes, Rent, etc.		63,627.11
		\$4,597,542.74

LIABILITIES

MORTGAGES PAYABLE		\$2,215,000.00
ACCRUED ACCOUNTS		32,928.18
ACCOUNT PAYABLE—W. T. GRANT COMPANY		28,088.54
CAPITAL AND SURPLUS		
Capital Stock		
Authorized and Issued—1000 shares of No Par Value	\$2,316,815.00	
Surplus	4,711.02	2,321,526.02
		\$4,597,542.74

March 11, 1930.

To the Board of Directors and Stockholders,
W. T. Grant Company,
New York City.

Gentlemen:

WE HEREBY CERTIFY that we made an examination of the books of account and record pertaining to the assets and liabilities of W. T. GRANT COMPANY (A Delaware Corporation)—NEW YORK CITY and operating subsidiary company (A Massachusetts Corporation) as at January 31, 1930 and, based on our examination and information submitted to us, it is our opinion that the annexed Consolidated Balance Sheet sets forth the combined financial condition of the companies at the date stated and that the relative consolidated Income and Surplus Accounts attached hereto are correct. The merchandise inventories as taken and certified by the management were tested by us as to computations, footings and prices, and are valued at not in excess of cost or market whichever is lower. No contingent liabilities were reported to us and none were disclosed by our examination.

We also certify that we made an examination of the books of account and record pertaining to the assets and liabilities of W. T. GRANT REALTY CORPORATION—NEW YORK CITY as at January 31, 1930, and based on our examination and information submitted to us, we are of the opinion that the annexed Balance Sheet of that company sets forth its financial condition at the date stated.

Very truly yours,

ERNST & ERNST.

GRANT STORES

ALABAMA

Mobile

ARKANSAS

Little Rock

CONNECTICUT

Ansonia
Bridgeport (2)
Danielson
Derby
Hartford
Meriden
Middletown
Milford
Naugatuck
New Britain
New Haven
New Milford
Putnam
Rockville
Southington
South Manchester
Stamford
Thomaston
Thompsonville
Torrington
Wallingford
Waterbury
Willimantic
Winsted

DELAWARE

Milford
Wilmington

FLORIDA

Jacksonville
Tampa
Ybor City Station

GEORGIA

Atlanta
Brunswick
Macon

ILLINOIS

Alton
Aurora
Belleville
Chicago (2)
East St. Louis
Elgin
Joliet
Peoria
Quincy
Rockford

INDIANA

Evansville
Fort Wayne
Gary
Hammond
Michigan City

IOWA

Clinton
Davenport
Ottumwa

KANSAS

Pittsburg

KENTUCKY

Louisville
Paducah

LOUISIANA

New Orleans
Shreveport

MAINE

Bangor
Brunswick
Gardiner
Lewiston
Old Town
Portland
Sanford
Skowhegan

MARYLAND

Baltimore
Cambridge
Crisfield

MASSACHUSETTS

Adams
Athol
Beverly
Boston
Brockton
Cambridge
Chelsea
Clinton
Codman Square
Danvers
East Boston
Easthampton
Everett
Fall River
Fitchburg
Framingham
Franklin
Gardner
Great Barrington
Haverhill

MASSACHUSETTS (Cont.)

Holyoke
Hudson
Hyannis
Hyde Park
Lawrence
Lynn (2)
Marlboro
Medford
Melrose
Middleboro
Milford
Natick
Needham
New Bedford
North Adams
North Attleboro
Norwood
Palmer
Peabody
Pittsfield
Plymouth
Rockland
Roxbury
Salem
Somerville
South Boston
Stoneham
Uphams Corner Sta.
Wakefield
Waltham
Ware
Webster
Weymouth
Winchendon
Worcester

MICHIGAN

Detroit (2)
Kalamazoo

MINNESOTA

Minneapolis
St. Paul

MISSOURI

St. Joseph
St. Louis

NEBRASKA

Lincoln
Omaha

NEW HAMPSHIRE

Derry
Franklin
Manchester
Nashua
Portsmouth
Rochester

NEW JERSEY

Bayonne
 Camden
 Hammonton
 Hoboken
 Jersey City (2)
 Millville
 Newark
 Passaic
 Paterson
 Rahway
 Union City
 Vineland
 West New York

NEW YORK

Albany
 Bay Shore, L. I.
 Beacon
 Binghamton
 Bronx
 Brooklyn (2)
 Buffalo (3)
 Carthage
 Catskill
 Corona, L. I.
 Dansville
 Flushing, L. I.
 Freeport, L. I.
 Geneva
 Glen Cove, L. I.
 Hempstead, L. I.
 Hudson Falls
 Huntington, L. I.
 Ilion
 Jamaica, L. I.
 Kingston
 Lackawanna
 Lockport
 Lynbrook, L. I.
 Medina
 Middletown
 New York City (2)
 Niagara Falls
 Norwich
 Oneida
 Patchogue
 Port Jervis
 Poughkeepsie
 Riverhead
 Rochester
 Rome
 Schenectady
 Seneca Falls
 Syracuse

NEW YORK (Cont.)

Tonawanda
 Watertown
 Warsaw
 Westfield
 Wellsville

NORTH CAROLINA

Charlotte
 Greensboro
 Raleigh

OHIO

Bellaire
 Canton
 Conneaut
 Dayton
 Elyria
 Lima
 Mansfield
 Marion
 Portsmouth
 Toledo

OKLAHOMA

Muskogee
 Oklahoma City

PENNSYLVANIA

Altoona
 Bangor
 Berwick
 Bristol
 Butler
 Carlisle
 Columbia
 Conshohocken
 Corry
 Danville
 Erie
 Hazleton
 Homestead
 Huntingdon
 Johnstown
 Lancaster
 Milton
 Mount Pleasant
 Mount Union
 Oil City
 Palmerton
 Philadelphia
 Phoenixville
 Pittston
 Pittsburgh
 Reading
 Scranton

PENNSYLVANIA (Cont.)

Shamokin
 Sunbury
 Uniontown
 Upper Darby
 Waynesboro
 Windber
 York

RHODE ISLAND

Newport
 Providence
 West Warwick

SOUTH CAROLINA

Charleston
 Greenville

TENNESSEE

Chattanooga
 Memphis
 Nashville

TEXAS

Dallas
 El Paso
 Fort Worth
 Houston
 San Antonio
 Waco
 Wichita Falls

VERMONT

Bennington

VIRGINIA

Clifton Forge
 Danville
 Fredricksburg
 Norfolk
 Petersburg
 Portsmouth
 Richmond
 Roanoke

WEST VIRGINIA

Huntington

WISCONSIN

Fond du Lac
 Oshkosh
 Sheyboygan

